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UNITED STATES DEPARTMENT OF AGRICULTURE

PRODUCTION AND MARKETING ADMINISTRATION

DAIRY BRANCH

INSERTS

for

SUMMARIES

OF

FLUID MILK MARKETING ORDERS

Revised to March 1, 1951,

and

Federal Register Citations for the Milk Price Orders

MAY 14 S51

The attached are inserts to be substituted for the corresponding pages in the <u>Summaries of Fluid Milk Marketing Orders</u>, April 1, 1948, and Federal Register Citations for the milk price orders. These inserts revise the Federal orders as effective on March 1, 1951. The last insert was issued on February 1, 1951.



INDEX OF SUMMARIES

Market	Order No.	Page
BostonChicagoCincinnatiClevelandClinton	4 41 65 75 70	4 45 80 116 96
Columbus Dayton-Springfield Dubuque Duluth-Superior Fall River	74 71 12 54 47	111 100 11 73 64
Fort Wayne	32 13 88 95 46	31 14 134 142 59
Lowell-Lawrence Memphis Milwaukee Minneapolis Nashville	34 18 7 73 78	35 168 172 108 125
New Orleans New York Oklahoma City Omaha-Council Bluffs Paducah	42 27 5 35 77	50 18 160 41 122
Philadelphia Quad Cities Rockford-Freeport St. Louis Sioux City	61 44 91 3 48	76 55 138 1 70
South Bend-LaPorte. Springfield, Massachusetts Springfield, Missouri Suburban Chicago Toledo	67 96 21 69 30	83 146 176 92 27
Topeka Tri-State. Tulsa Wichita. Worcester	80 72 6 68 99	129 104 164 88 153

Table No. 2 - Basis of Class I price determination under Federal milk marketing orders, March 1, 1951

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	Daige	<u> </u>	lass I pri for milk a	<u>ce</u>	Putton	Da	Button	n	Cononal
	• 18 Mic	lwest:	Other	<u>. u</u>	powder		cheese		economic
			mfg.plant	s	powder		prices		factors
	:	:		:	<u> </u>		<u> </u>	:	
North Atlantic	•	8		8		:		0	
Boston	:	8	-	:	*	8	••		X
Fall River	: -	0	~	• a	gue	:	614	9	Х
Lowell-Lawrence	: -	:	_	:	-	:	-	:	X
New York	: -	:	•	40	-	•	-	0	X
Philadelphia 3/	: ~	:	-	:	_	:	_	:	_
Springfield	; 	:	-	:	-	:	_	:	X
Worcester	: -	:	407		_	:	_	90	X
East North Central	:	:		9		:		•	
Chicago	: X	:	-	:	X	:	X	3	_
Cincinnati	:	:	X	:	X		••	:	-
Cleveland	: X	:	_	:	X	:	X	4	_
Columbus	: X	:	€3	:	X	:	-		_
Dayton-Springfield	: X	:	-	:	X	:	X	:	_
Fort Wayne	: -	:	X	:	Х	:	X		-
Lima	: X	:		:	X	:	X	:	-
Quad Cities	:		X	:	-	:	X		-
Rockford-Freeport	: X	:	-	:	Х	:	X	:	
South Bend-LaPorte	: X	:	_	:	X	:	X	:	-
Suburban Chicago	: X	:	-	:	Х	:	X	:	-
Toledo	: X	:	X	:	X	:	X		-
Tri-State	: X	:	**	:	X		X	:	-
West North Central	:	:		:		•		:	
Clinton	: -	:	X	:	-	:	X		
Dubuque		:	X	:	-	:	X	:	-
Duluth-Superior	: -	:	-	:	Х -	:	-		-
Kansas City	: X	:	_	;	Х	:	-	3	-
Milwaukee	: X	:	-	:	Х	:	X	:	-
Minneapolis-St. Paul	: X	:	_	:	-	:	X	:	-
Omaha-Council Bluffs	: -	:	X	:	X	:	_		-
St. Louis	: 4/ X	:	_	:	X	:	_	:	-
Sioux City	: -	:	X	:	X	:	_	:	-
Topeka	: X	:	-		X	:	_	2	-
Wichita	: X	:	_	:	X	:	•	•	••
South Central	:	:		9		:		:	
Knoxville	: X	:	X	:	X	:	X	:	-
Louisville	: X	:	X	:	Х	:	X		-
Memphis	: X	:	X	:	X	:	-	:	
Nashville	: X	:	X	:	X		X	:	619
New Orleans	: -	:	-		-	:	_	:	X
Oklahoma City	: X	:	-	:	X	:	_	:	
Paducah	: X	:	Х	:	X	:	-	:	_
Springfield, Mo.	: 4/ X	:	_	:	X		_	:	
Tulsa	: X				X	•		:	

1/ Where more than one basis is marked "X" the price is determined each month from the alternative which results in the highest price. Temporary suspension of pricing provisions have not been indicated. 2/ As specified in Order No. 4 for Chicago. 3/ Fixed price with adjustment for changes in butter prices. 4/ Plus 5 local plants.

-:

- (2) Price per pound of Chicago 92-score butter, times 6, plus 2.4 times the average price per pound of Plymouth "Twins" (or "Cheddars"), divided by 7, times 1.3, times 3.5;
- (3) Price per pound of Chicago 92-score butter, minus 3 cents, times 1,2, times 3,5, plus an amount computed as follows:
 Average price per pound of nonfat dry milk solids (carlots, human consumption, spray and roller process, f.o.b. manufacturing plants in Chicago area), minus 5,5 cents, times 8,5, times 965; or
- (4) The Class III price.

Class I - "Basic formula" price plus 75 cents during May and June, \$1.00 during July, August, March, and April and \$1.20 during all other months, except that for the second delivery period following any period of 12 consecutive months in which the receipts of producer milk exceed 135 per cent of the Class I utilization of all handlers and continuing until the beginning of the second delivery period following a period of 12 consecutive months in which producer receipts are less than 125 per cent of Class I utilization the Class I price shall be the "basic formula" price plus 75 cents during May and June, 95 cents during March, April, July, and August, and \$1.05 during all other months.

Class II - The Class I price less 30 cents.

<u>Class III</u> - Average of prices paid for 3.5 per cent milk at the following plants:

Van Camp Milk Company,
Pet Milk Company,
Defiance Milk Products Company,
Pet Milk Company,

Wauseon, Ohio Delta, Ohio Defiance, Ohio Hudson, Michigan

Butterfat Differentials:

Class I Price - Price per pound of Chicago 92-score butter, times 1.3, divided by 10.

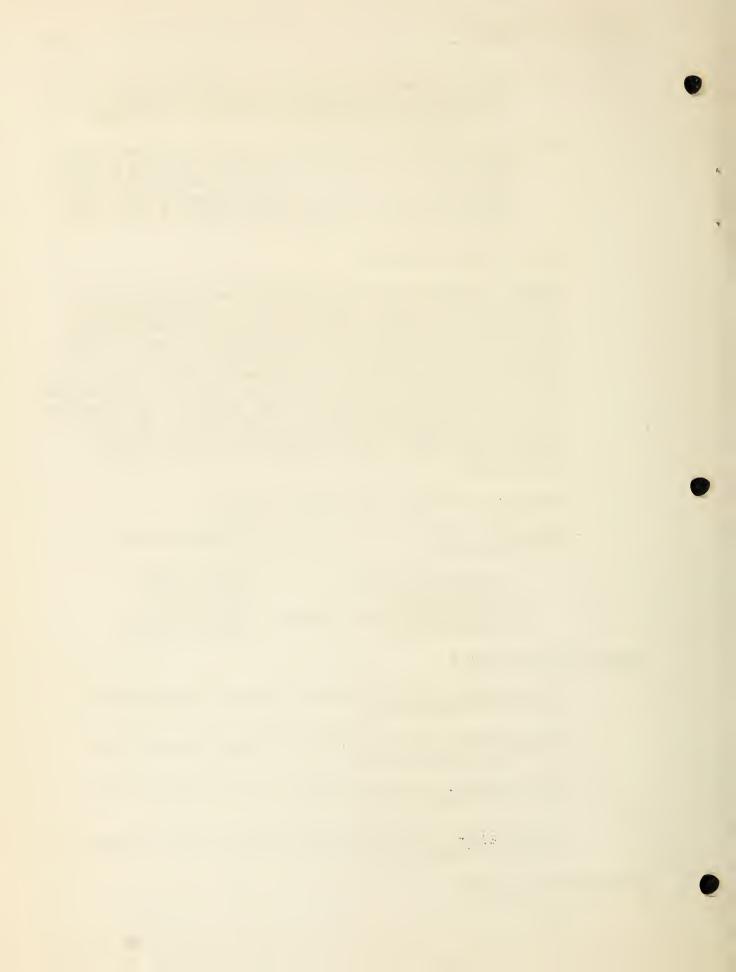
Class II Price - Price per pound of Chicago 92-score butter, times 1.25, divided by 10.

Class III Price - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

<u>Producer Price</u> - Price per pound of Chicago 92-score butter, times 1.2, divided by 10.

Location Differentials:

None.



- (b) Divide the latest three Federal Reserve Bank of Atlanta monthly indexes of department store sales in New Orleans adjusted for seasonal variations (1935-1939 equals 100) by 3 and divide the result by 1.10;
- (c) Compute a grain-labor index as follows:
 - (1) Divide average prices per ton paid by Louisiana farmers for mixed dairy feed by 0.5144 and multiply the result by 0.6.
 - (2) Divide by 0.0151 and 0.0144 respectively, dairy farm wage rates without board or room for Mississippi and Louisiana, Compute a weighted average (Mississippi weighted 0.25 and Louisiana 0.75) of the respective wage rates and multiply such weighted average by 0.4.
 - (3) Add the results of (1) and (2).
- (d) Divide by 3 the sum of the results of (a), (b), and (c) and round to the nearest whole number. The result is the formula index.
- 2. Compute the price for milk of 4.0 per cent butterfat content delivered in the 61-70 mile zone by multiplying \$2.59 by the formula index.
- 3. For any delivery period after September 1950 add 22 cents if the total volume of producer milk in the market during the preceding 5-month period of October through February was less than 110 per cent of Class I sales in the market or subtract 22 cents if the volume of producer milk in the market during such 5-month period was more than 115 per cent of Class I sales in the market**/
- 4. The price for any of the delivery periods of April through June shall not be higher than the price for the immediately preceding delivery period and the price for any of the delivery periods of October through December shall not be lower than the price for the immediately preceding delivery period.
- 5. The price of butterfat is computed by multiplying the price for Class I milk (as computed in 2 above) by 17.5.
- 6. The price for skim milk is computed by multiplying the price of butterfat by 0.04, subtracting such amount from the price for Class I milk (as computed in 2 above) and dividing the remainder so obtained by 0.96.

^{**} Provision suspended effective 3/1/51.



FEDERAL MILK ORDER NO. 21

Springfield, Missouri

Marketing Area:

City of Springfield, Missouri.

Handler:

A person who operates an approved plant (i.e., one approved by city health authorities and from which milk is disposed of as Class I in the marketing area) or a cooperative association with respect to producer milk which it causes to be diverted from an approved plant to an unapproved plant.

Producer:

Person who produces milk under farm inspection permit and whose milk is delivered to an approved plant or whose milk is diverted from such plant.

Classification:

Class I - Fluid milk, skim milk, buttermilk, milk drinks (plain or flavored), cream (fresh or sour), and unaccounted-for milk.

Class II - All milk other than Class I, inventory variation of any Class I product, shrinkage of milk from producers up to 2 per cent, and all shrinkage of "other source" milk.

Class Prices (3.5 per cent butterfat):

"Basic formula" price - A "basic formula" price is used in determining the Class I and Class II prices. It is the higher of the following:

1. Average price paid during the delivery period for 3.5 per cent milk at 23 condenseries, including the 18 specified in the Chicago order (see list) and 5 other plants as follows:

Carnation Co., Carnation Co., Indiana Condensed Milk Co., Litchfield Creamery Co., Pet Milk Co.. Ava, Missouri Seymour, Missouri Bunker Hill, Illinois Litchfield, Missouri Greenville, Illinois

2. Price per pound of 92-score butter at Chicago for the delivery period times 1.20, times 3.5,

3-1/2 cents for each full 1/2 cent that the price per pound of nonfat dry milk solids (carlots, spray and roller process, human consumption, f.o.b. Chicago area plants) is above 5.5 cents.

Class I Price - "Basic formula" price plus \$1.08 for July through December, 83 cents January through March, and 63 cents April through June.

These prices are subject to the following adjustments:

- 1. Until March 1, 1952, add 15 cents per hundredweight,
- 2. After March 1, 1952, adjust the Class I price as follows:

	For each percentage point that receipts from producers as a per cent of Class I milk is				
January through March April through June July through December	cents 1	Above 115 per cent (subtract) cents 2 2 2 2			

Class II Price - "Basic formula" price, except that 15 cents is subtracted during April, May, June, and July 1951.

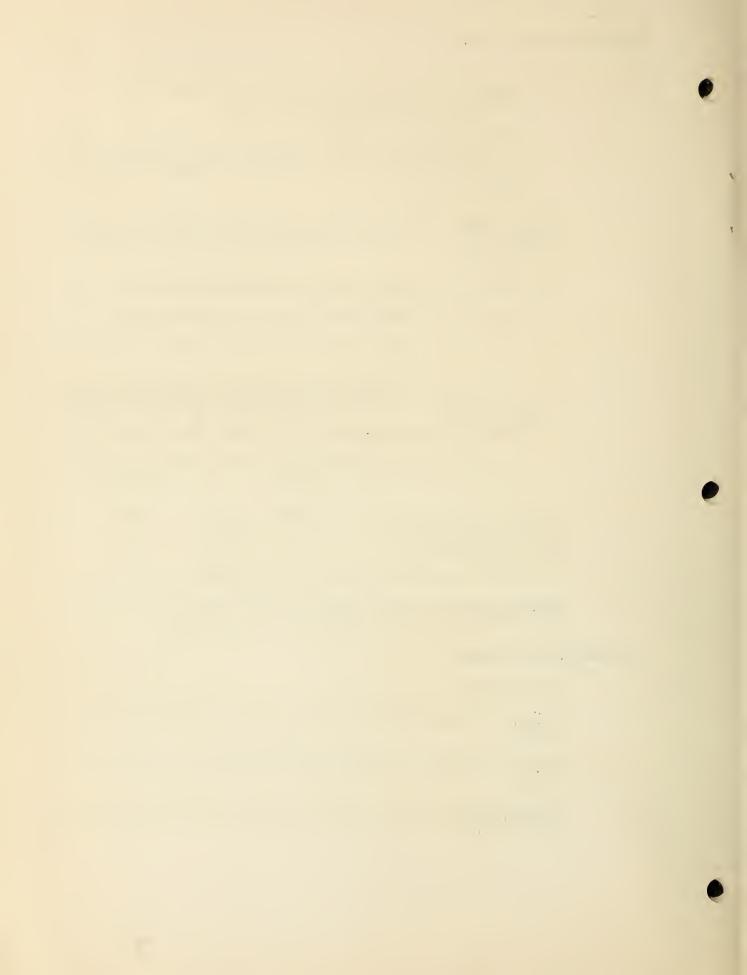
Butterfat Differentials:

Class Prices -

Class I - Chicago 92-score butter for the delivery period times 0.125.

Class II - Chicago 92-score butter for the delivery period times 0.120.

<u>Producer Price</u> - Chicago 92-score butter for the delivery period times 0,120,



Location Differentials:

None.

Method of Accounting for Milk:

Weights of skim milk and butterfat are accounted for separately. Upon completion of classification the butterfat test of each class is determined.

Type of Pool:

Market-wide, monthly pool without base rating or new producer clause.

Interhandler Transfers:

Skim milk or butterfat transferred or diverted in the form of milk, skim milk or cream from an approved plant is classified as Class I if (1) transferred to a producer-handler, or (2) transferred or diverted to the approved plant of another handler unless Class II utilization is indicated in writing by both handlers and, in such event, if either or both handlers have "other source" milk, the transfer must be classified to give producer milk the highest valued classification.

Outside Purchases:

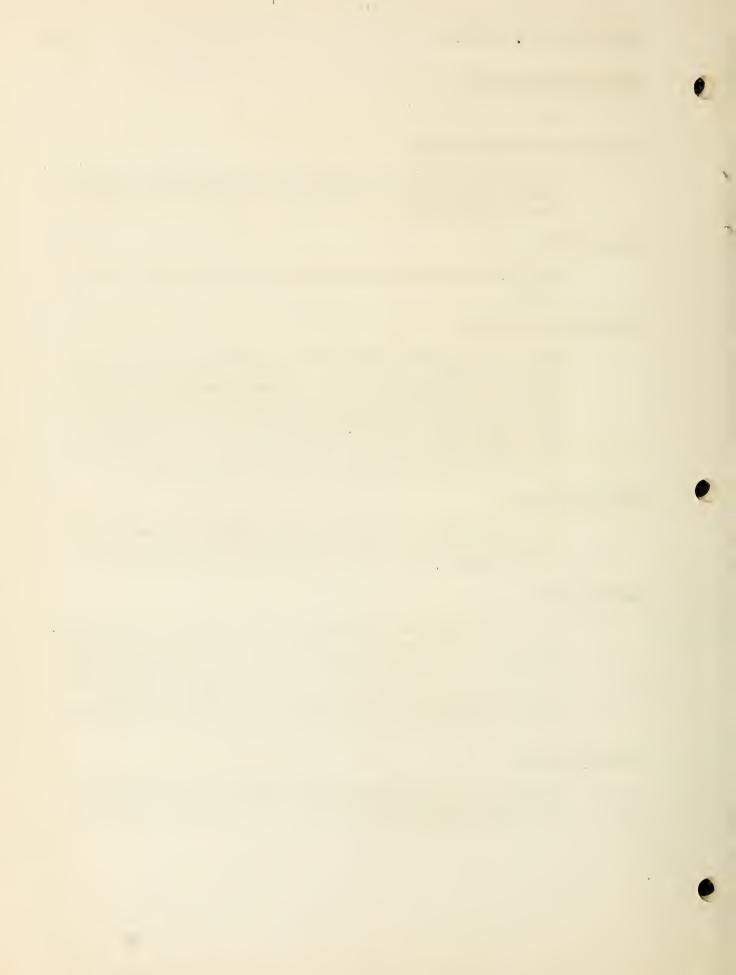
Milk received by a handler from sources other than producers is deducted in series first from his Class II utilization of producer $milk_{\bullet}$

Outside Sales:

Milk sold outside the marketing area is priced the same as milk sold in the marketing area. Skim milk or butterfat transferred or diverted as milk, skim milk or cream to an unapproved plant is Class I if such plant is more than 125 miles from City Hall and as Class I if such plant is less than 125 miles unless Class II utilization of an equivalent quantity is established to the satisfaction of the market administrator.

Producer-handler:

Handlers who distribute only milk of their own production are exempt from regulatory provisions. Reports may be required by the market administrator.



Expense of Administration:

Handlers are assessed not to exceed 5 cents per hundredweight on milk received from producers, including the handler's own production, and on "other source" milk.

Special Producer Provisions:

Deductions for marketing services, as authorized by members, are turned ever to cooperative associations.

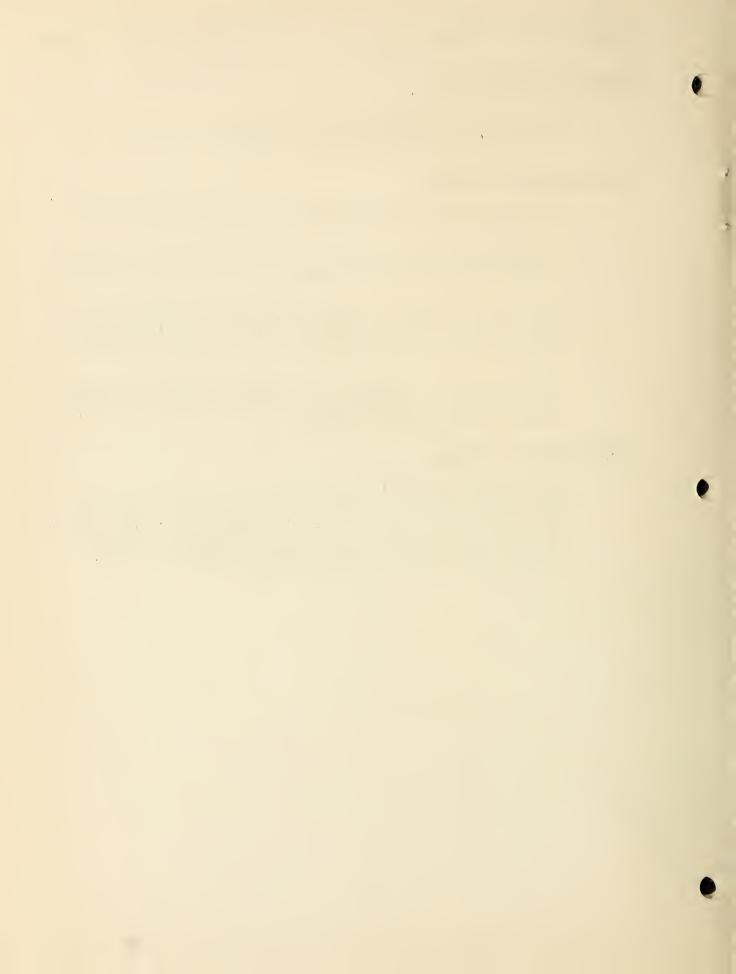
A marketing service charge not to exceed 5 cents per hundredweight is deducted for non-members.

Payments on account are made, on or before the 28th day of the delivery period, to producers for milk delivered during the first 15 days of each month at not less than the Class II price for the preceding month.

Upon request by a cooperative association handlers are required to make partial and final payments to the association for milk delivered by association members.

Special Handler Provisions:

Skim milk or butterfat priced under another Federal order and distributed as Class I in the marketing area is not subject to this order except that it must be reported to the market administrator and if the Class I price under this order exceeds the Class I price under the other order, the difference must be paid into the producer-settlement fund.



KANSAS CITY - ORDER NO. 13

Citation	Date Published	<u>action</u>
11 FR 14005	12/3/46	Order, as amended
12 FR 6426	9/25/47	Amendment No. 1
13 FR 7703	12/14/48	Amendment No. 2

MEMPHIS - ORDER NO. 18

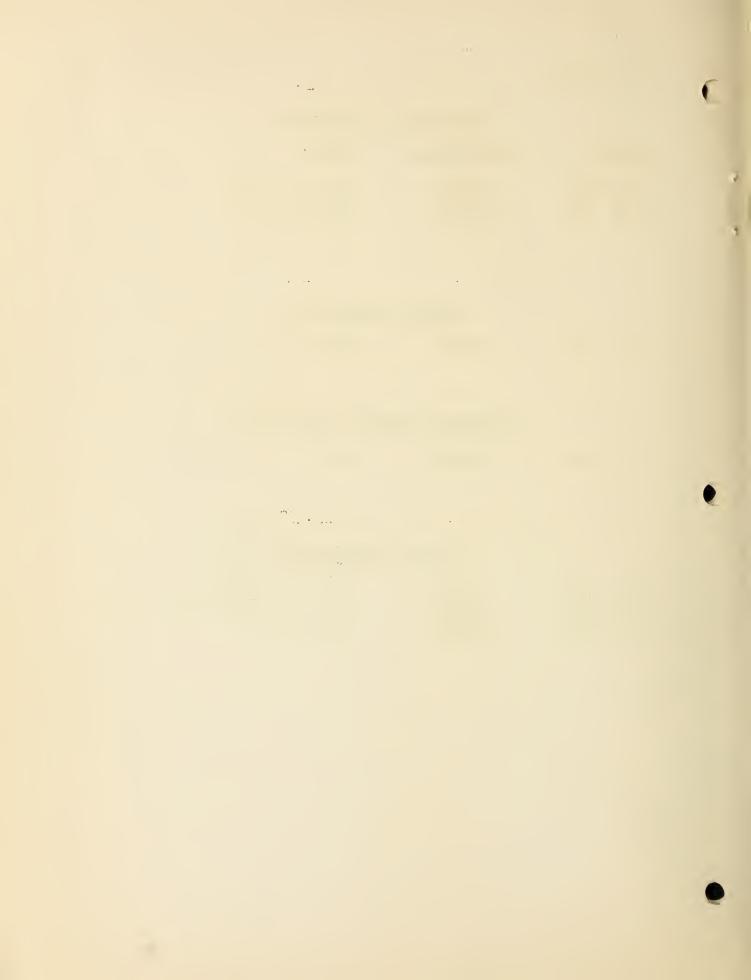
15 FR 6533 9/28/50 Order

SPRINGFIELD, MISSOURI - ORDER NO. 21

16 FR 1225 2/9/51 Order

NEW YORK - ORDER NO. 27

14 FR	1466	4/1/49	Order.	as amen	ded	
14 FR	3443	4/1/49 6/24/49 7/29/49				provisions
14 FR	4746	7/29/49	11	- 11	11	11
14 FR	7755	12/29/49	Amendm	ent No.	1	



TOLEDO - ORDER NO. 30

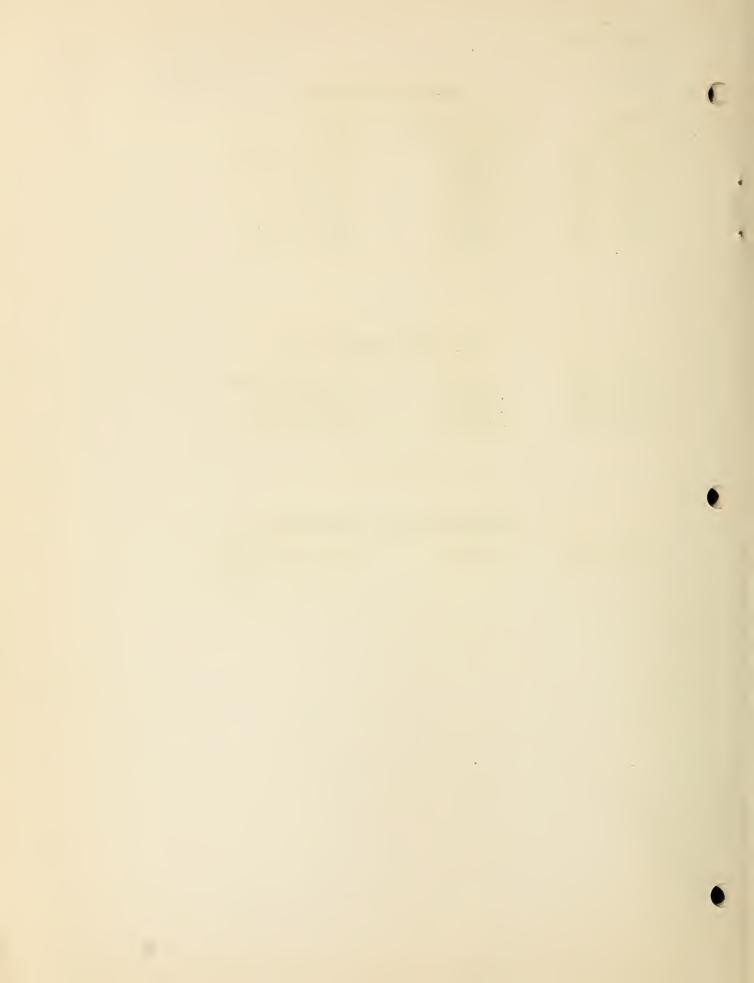
Citation	Date Published	Action
12 FR 206' 12 FR 694' 13 FR 232' 13 FR 427' 13 FR 729' 15 FR 1834 16 FR 193'	10/25/47 4/30/48 5 7/27/48 11/30/48 3/31/50	Order, as amended Amendment No. 3 Amendment No. 4 Amendment No. 5 Amendment No. 6 Amendment No. 7 Amendment No. 8

FORT WAYNE - ORDER NO. 32

12	FR	1538	3/7/47	Order, as	amended
13	FR	2307	4/29/48	amendment	No. 1
13	FR	3196	6/12/48	Amendment	No. 2
15	FR	3307	5/30/50	Amendment	No. 3

LOWELL-LAWRENCE - ORDER NO. 34

15 FR 6581 9/30/50 Order, as amended



OMAHA- ORDER NO. 35

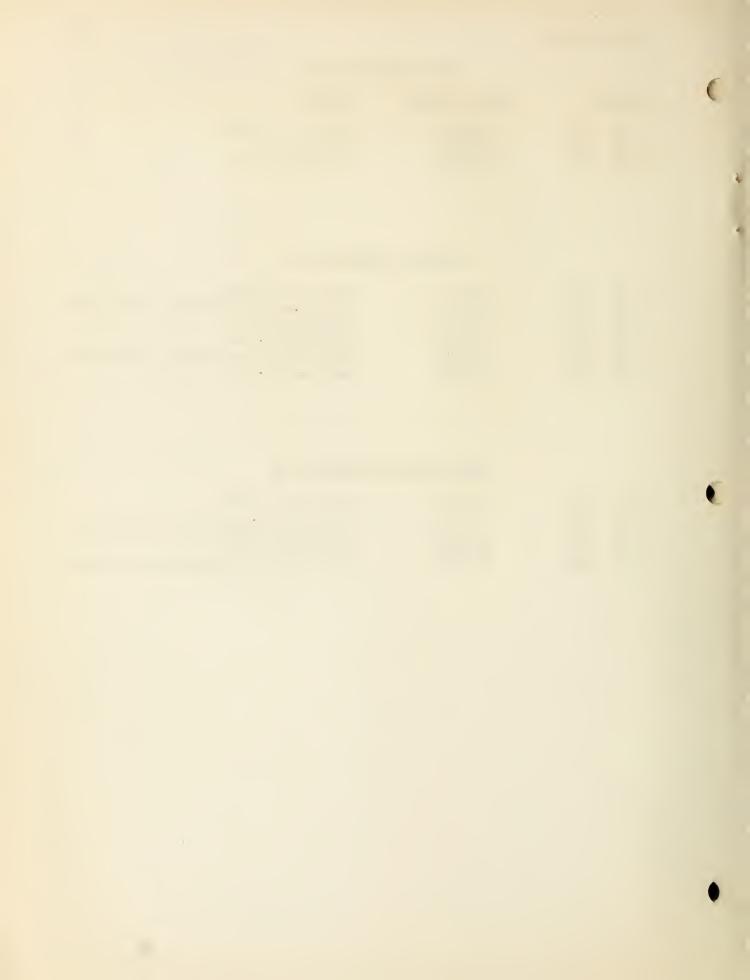
Citati	<u>on</u>	Date Published	Action
12 FR	9487	3/29/47	Order, as amended
13 FR		12/31/48	Amendment No. 1
14 FR		6/15/49	Amendment No. 2

CHICAGO - ORDER NO. 41

11 FR	9606	8/31/46	Order, as amended
12 FR	3073	5/10/47	Order suspending certain provisions
12 FR	5834	8/30/47	Amendment No. 3
12 FR	7248	11/5/47	Amendment No. 4
13 FR		10/9/48	Order suspending certain provisions
15 FR	1068	2/28/50	Amendment No. 5

NEW ORLEANS - ORDER NO. 42

13 FR	1079	2/28/48	Order, as amended
14 FR	1483	4/1/49	Amendment No. 2
14 FR	5385	8/31/49	Order suspending certain provisions
14 FR		9/30/49	Amendment No. 3
16 FR	1899	2/28/51	Order suspending certain provisions



(3/1/51) (k)

On February 22, 1949, an order, amending the orders, was issued providing for the retention of records and limitation of claims. The <u>Federal Register</u> citation for this amendment is 14 FR 791, and applies to the following markets:

Market	Order No.
Boston	4
Chicago	41
Cincinnati	65
Cleveland	75
Clinton	70
Columbus	74
Dayton-Springfield	71
Dubuque	12
Duluth-Superior	54
Fall River	47
Fort Wayne	32
Kansas City	13
Louisville	46
Lowell-Lawrence	34
Minneapolis-St. Paul	73
New Orleans	42
New York	27
Omaha-Council Bluffs	35
Philadelphia	61
Quad Cities	44
St. Louis	3
Sioux City	48
South Bend-LaPorte	67
Suburban Chicago	69
Toledo	3 0
Tri-State	72
Vichita	68

These provisions were incorporated in all other orders as they were issued.

